

Assessment of Petition

For the Incorporation of the

Proposed Town of Castle Hayne
(New Hanover County)

Relative to NC G.S. 120-167 - 120-170

North Carolina Department of Commerce
Division of Community Planning



Proposed Town of Castle Hayne Phase II Study

The Division of Community Planning (DCP) staff has reviewed the petition for incorporating the proposed Town of Castle Hayne (see Map A) relative to G.S. 120-167 through G.S. 120-170. The following discussion addresses each of these sections.

G.S. 120-167 Additional criteria; population.

G.S. 120-167 refers to population and requires that a municipality has a permanent population of at least 100 and a population density (permanent and seasonal) of at least 250 persons per square mile. The New Hanover County Board of Elections determined that there are 1,950 registered voters living in the proposed Town of Castle Hayne, exceeding the required minimum permanent population. DCP performed a land use analysis of the subject area and identified a total of 1,328 dwelling units. The 2000 US Census Bureau data estimates an average of 2.52 persons per household for the Cape Fear Township in New Hanover County and a housing occupancy rate of 93.6 percent. This suggests that at least 3,132 persons are likely to reside in a total land area of 12.23 square miles. The total population density of the proposed Town of Castle Hayne is 256 persons per square mile (permanent and seasonal). **It appears that G.S. 120-167 is satisfied.** (see Table 1)

Table 1

Population	Totals
Square Miles 7,827.2 (total acreage) divided by 640 (acres per square mile)	12.23
Number of Households (New Hanover County GIS Data)	1,328
Occupancy Rate (New Hanover County - 2000 Census)	0.936
Persons per Household (New Hanover County – Cape Fear Township - 2000 Census)	2.52
Permanent Population 1,328 (number of households) X 2.52 (persons per HH) X 0.936 (occupancy rate)	3,132
Population per Square Mile 3,132 (permanent pop.) divided by 12.23 (square miles)	256

G.S. 120-168 Additional criteria; development.

G.S. 120-168 refers to development and requires that at least 40 percent of the area must be "developed for residential, commercial, industrial, institutional, or governmental uses, or is dedicated as open space under the provisions of a zoning ordinance, subdivision ordinance, conditional or special use permit, or recorded restrictive covenants."

DCP analyzed available county tax and GIS information, aerial photographs and field survey to determine the degree of development. The land use survey considered parcels as "developed" if they had land use characteristics that were residential, commercial, institutional or governmental, industrial, or dedicated open spaces. Vacant parcels, forested parcels, or agricultural parcels were considered "undeveloped." DCP's analysis indicated that 52.95 percent of the subject area, as presently proposed, is developed (see Table 2 and Map A). **It appears that G.S. 120-168 is satisfied.**

Table 2 :
Development Relative to NC G.S. 120-168

Land Use	Acres
Commercial	169.45
Industrial	2,635.13
Institutional/Governmental/Utilities	354.85
Residential	953.64
Restricted Open Space	12.15
Undeveloped	3,665.88
Total acreage	7,791.10
Total Developed Acreage	4,125.21
% Developed	52.95%

G.S. 120-169 Additional criteria; area unincorporated.

G.S. 120-169 requires that none of the area proposed for incorporation may be included within the boundary of another incorporated municipality. DCP compared the proposed boundaries of the proposed Town of Castle Hayne with the most recently updated New Hanover County (GIS) data as well as the North Carolina Department of Transportation (GIS) data and found no evidence that any of the subject area is part of an incorporated municipality. **It appears that G.S. 120-169 is satisfied.**

G.S. 120-169.1 Additional criteria; services.

G.S. 120-169.1(b) requires that the area to be incorporated submit a plan for providing a reasonable level of municipal services. To meet the requirements of this section, the proposed Town of Castle Hayne must propose to provide at least four of the following services:

- 1) Police protection.
- 2) Fire protection.
- 3) Solid waste collection or disposal.
- 4) Water distribution.
- 5) Street maintenance.
- 6) Street construction or right-of-way acquisition.
- 7) Street lighting.
- 8) Zoning.

The proposed Town of Castle Hayne has submitted a sufficient plan for providing four of the eight services listed above. The proposed Town of Castle Hayne will provide police protection, fire protection, street lighting, and zoning. Police protection will be provided through a contract with the New Hanover County Sheriff's Office. Fire protection will be provided through a contract with the New Hanover County Fire Department. Street lighting service will be provided with Progress Energy. Zoning will be adopted and administered through a contract with the New Hanover County Planning and Inspections Department. **It appears that G.S. 120-169.1(b) is satisfied.**

G.S. 120-170 Findings as to services.

G.S. 120-170 requires that the proposed municipality can provide, at a reasonable tax rate the services requested by the petition (police protection, fire protection, street lighting and zoning) and that the proposed municipality can provide at a reasonable tax rate the types of services usually provided by similar municipalities. The proposed Town of Castle Hayne has proposed a \$0.10/\$100 property tax rate, which would generate the estimated property tax revenue of \$258,792 based upon an estimated \$262,387,419 assessed valuation and 98.63 percent collection rate. The proposed services and the cost of the services is as follows: police protection will be provided by contract with the New Hanover County Sheriff's Office (\$24,960); fire protection will be provided by contract with the New Hanover County Fire Department (\$203,162); street lighting will be provided by Progress Energy (\$6,600) – (54 street lights on existing wooden poles @ a cost of \$120.96/light/year = \$6,531.84); and planning, zoning, and inspection services will be administered through a contract with the New Hanover County Planning and Inspections Department (\$9,600). The total annual cost of services proposed by the proposed Town of Castle Hayne is \$244,322. As a result of the types of services the proposed Town of Castle Hayne plans to provide and the manner in which those services would be provided, the proposed \$0.10/\$100 property tax rate appears to be reasonable.

The attached Table 3 provides data on municipalities incorporated since 2000 and compares that information with the proposed tax rate and cost of services proposed by the proposed Town of Castle Hayne. In addition, to give some indication of a comparison of the tax rate proposed by the proposed Town of Castle Hayne and that assessed by other similar municipalities, DCP compared the proposed Town of Castle Hayne with the North Carolina Department of Treasurer 2010 Municipal Financial Profiles for municipal populations between 2,500-9,999 persons. The North Carolina Department of Treasurer indicates in its report an average property tax rate for municipal populations between 2,500-9,999 persons is \$0.2483/\$100 valuation and average property tax revenue of \$1,694,370 on an average assessed value of \$635,017,864 at an average 96.69 percent collection rate. For the proposed Town of Castle Hayne to generate similar revenues, it would need to levy a property tax rate of \$0.668/\$100 valuation (assuming a total assessment of \$262,387,419 and 96.69 percent collection rate). As stated above, the proposed Town of Castle Hayne can provide the four proposed services at a property tax rate of \$.10/\$100, but would not likely be able to provide additional services without a property tax rate increase. **It appears that G.S. 120-170 is satisfied.**

Conclusion

It appears that the proposed Town of Castle Hayne does satisfy the requirements of G.S.120-167 through 120-170.

Information sources:

Petition for Incorporation of the Town of Castle Hayne
2000 US Census (referenced 04/11), <http://www.census.gov/>
New Hanover County GIS Department, Parcel Data and Assessment Data
North Carolina Office of State Treasurer (referenced 05/11)
http://ncdst-web2.treasurer.state.nc.us/lgc/units/D_NB.htm

Map A

